

By: Krause

H.B. No. 138

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Fiscal Risk Management Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 10, Government Code, is amended by adding Chapter 2117 to read as follows:

CHAPTER 2117. FISCAL RISK MANAGEMENT COMMISSION

Sec. 2117.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Fiscal Risk Management Commission.

(2) "State agency" means a board, commission, department, office, or other agency in the executive branch of state government created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

Sec. 2117.002. COMPOSITION. (a) The commission is composed of the following seven members:

(1) the comptroller;

(2) the state auditor;

(3) the speaker of the house of representatives or a member of the house of representatives designated by the speaker;

(4) the lieutenant governor or a member of the senate designated by the lieutenant governor; and

(5) three members of the public, appointed by the governor, who have experience with state and federal fiscal policy

1 and budgetary analysis.

2 (b) The comptroller shall serve as the presiding officer of
3 the commission.

4 (c) Public members serve at the pleasure of the governor.

5 Sec. 2117.003. COMPENSATION. A member of the commission
6 serves without compensation but is entitled to reimbursement for
7 actual expenses incurred in performing functions as a member of the
8 commission, subject to any applicable limitation on reimbursement
9 provided by general law or the General Appropriations Act.

10 Sec. 2117.004. COMMISSION DUTIES. (a) The commission
11 shall:

12 (1) meet at least once each year at the call of the
13 presiding officer; and

14 (2) study:

15 (A) the effect of federal fiscal policy on this
16 state's economy, including:

17 (i) the percentage of this state's budget
18 currently funded by federal money and the effect that a significant
19 reduction or elimination of federal funding for state governments
20 would have on this state's economy;

21 (ii) the effect of a political or
22 market-led default on the United States' debt obligations on this
23 state's economy; and

24 (iii) the amount of money earned in this
25 state that is transferred to the federal government as compared to
26 the amount of federal money received by this state from the federal
27 government, and the effect of those transfers on businesses in this

1 state;

2 (B) the amount of federal money received by each
3 agency of this state, and the effect that a significant reduction or
4 elimination of federal funding for state governments would have on
5 the continuing operation of, and the delivery of critical services
6 by, each of those agencies;

7 (C) the effect of the devaluation of the United
8 States dollar on this state's economy, including an examination of:

9 (i) the effect of a gradual devaluation, a
10 loss of reserve currency status, or an outright collapse of the
11 United States dollar on this state's economy; and

12 (ii) the advisability of developing a
13 contingency currency;

14 (D) the risks presented by acts of economic
15 terrorism, including:

16 (i) the effect of power outages caused by
17 acts of cyberterrorism, including an electromagnetic pulse, on
18 financial markets and critical infrastructure in this state; and

19 (ii) the effect of an energy embargo or the
20 disruption of the food, water, or power supply chain on the ability
21 of this state and agencies of this state to continue to provide
22 critical services; and

23 (E) any other macroeconomic threat to this
24 state's economy the commission considers appropriate.

25 (b) In conducting the study required by this section, the
26 commission shall consult with and consider papers authored by
27 private entities specializing in fiscal risk management readiness

1 and response. The commission may not rely solely on papers authored
2 by institutions of higher education.

3 Sec. 2117.005. FISCAL RISK MANAGEMENT PLAN. The commission
4 biennially shall develop and publish a cohesive and in-depth plan
5 to effectively and efficiently address the effects and risks
6 identified by the commission in conducting the study required by
7 Section 2117.004.

8 Sec. 2117.006. REPORT. (a) Not later than September 1 of
9 the even-numbered year preceding each regular session of the
10 legislature, the commission shall submit a report based on the
11 commission's findings under Section 2117.004 during the previous
12 two-year period to the governor and the legislature.

13 (b) The report must include:

14 (1) a complete explanation of the methods used by the
15 commission in conducting the financial analysis required by the
16 study;

17 (2) a summary of the commission's findings under
18 Section 2117.004 and a copy of the plan created under Section
19 2117.005; and

20 (3) drafts of any proposed legislation needed to
21 implement the commission's recommendations.

22 (c) The first report due under this section must include a
23 thorough evaluation of this state's need to develop a contingency
24 currency in the event of a collapse of the United States dollar.

25 SECTION 2. (a) Not later than the 60th day after the
26 effective date of this Act, the governor and, if applicable, the
27 speaker of the house of representatives and the lieutenant governor

1 shall make the appointments and designations under Chapter 2117,
2 Government Code, as added by this Act.

3 (b) The Fiscal Risk Management Commission shall submit the
4 first report required by Section 2117.006, Government Code, as
5 added by this Act, not later than September 1, 2018.

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2017.